MULTIMEDIA UNIVERSITY

STUDENT ID NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 3, 2022/2023

BIB2074 – INTERNATIONAL BUSINESS

(All Sections/Groups)

4 OCTOBER 2023
9.00 A.M. - 11.00 A.M.
(2 Hours)

INSTRUCTION TO STUDENTS

1. This question paper consists of **FOUR** pages with **FOUR (4)** questions.
2. Attempt **ALL** questions. The distribution of the marks for each question is given.
3. Please write all your answers for in the Answer Booklet provided.

SECTION A: CASE STUDY

California: From "the Golden State" to "the Brown State"

California's nickname "the Golden State" was likely coined in the mid-1800s when gold mining played a significant role in the state's economy. The proliferation of the gold industry was why early Cantonese miners gave California, or even America as a whole, the moniker *gum san*, literally a 'gold mountain.' The state became prosperous and represented all the ideals of the American Dream, to the point that immigrating to America is most likely seen as seeking economic opportunities in California. When the American Golden Age was reached in the 1980s, under President Ronald Reagan, the nickname "Golden State" was then stuck to the state's sunny climate, golden-yellow beaches, and thriving economy, all synonymous with gold.

However, California today is a shadow of its past and a degenerated area to live and work. There is a reason why California is now called "the Brown State." If you stroll down the main streets of Californian cities like San Francisco or Oakland, you will likely encounter human excrement on the pavements. The situation is so dire that San Francisco, California is now dubbed as the "Doo-doo Capital of the United States" while Los Angeles is regarded as the sanctuary for the homeless of the nation. A data management company, *Open the Books*, even compiled the data on human feces sightings as well as homeless campsites and made interactive maps, cheekily marking feces sightings in brown pins (Fig. 1) and homeless campsites in mini tents (Fig. 2).

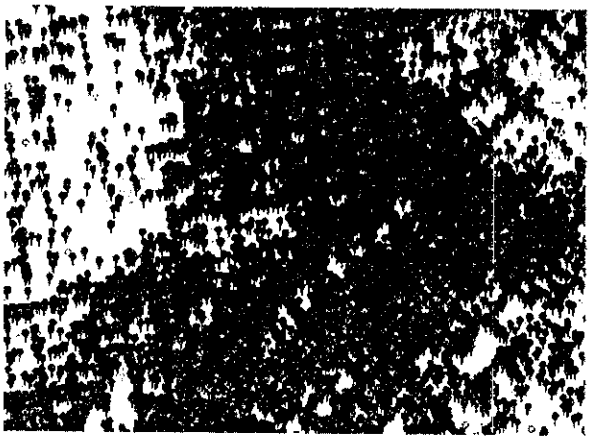

Fig. 1: A map of San Francisco streets overlaid with sighting of human faeces

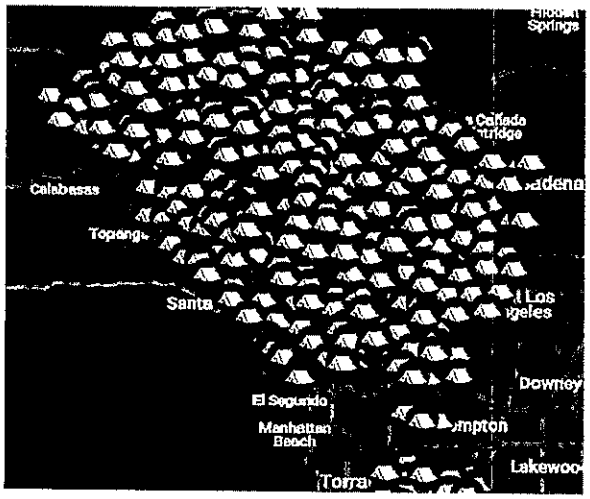

Fig. 2: A map of Los Angeles streets overlaid with homeless encampments

A "Brown State" can also be used as metaphor for a dying state. Plagued by a myriad socio-economic problems such as expensive real estate, homelessness, oppressive business laws, heavy regulations, red tapes, persistent crime, drug abuses, and weak law enforcement, many residents as well as businesses have moved to better-managed states like Texas or Florida.

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Although Texas was admitted to the United States before California, it is relatively less developed as an economic powerhouse. The Texan business climate is friendlier, taxes are lower, regulations are less restrictive, and real estate is significantly cheaper. It's market is less saturated, competition is not as strong, many businesses are relatively younger, opening greater opportunities for younger and more aspiring businesses.

California and Texas differ significantly in the political, economic, and legal systems as well as their cultural values. California is deeply liberal, and is a known stronghold of the Democrat Party. Knowing the differences are important as they dictate the ability of former Californian residents and businesses to assimilate into Texan way of life and attractiveness of their businesses to local Texan market. Texans are exceptionally concerned of the huge influx of Californians into their state, bringing their political ideologies and culture with them (see Fig. 3).

Fig.3: Texas billboards with lighthearted warnings to fleeing Californians

Liberal states like California favours centralization of political and economic power, usually evident in higher taxes, stricter rules and regulations in running business, practices affirmative action policies to favour supposedly "oppressed groups", encourage a separation of government from religion, with more open-minded stance on LGBT and abortion, also promoting modern reinterpretation of sexuality and numerous gender pronouns. Liberalism appeal to the elitist segment of the society who mainly reside at urban areas.

On the other hand, Texas and Florida are largely conservative, and controlled by the Republican Party. Conservative states adheres strictly to the American founding principles, espoused by the well-known concept of "*God, Family and Country*". This explains their freer political economy, less taxes and regulations, stronger religious identity. With stronger religious personalities, they tend to oppose abortion and modern interpretation of sexuality and gender. Conservatism appeal most to the middle and working class residing in the suburban and rural communities.

Case written by the examiner, W. L. Hew (2023, August 14).

1. Fig. 1 & 2 Image Source: Open the Books Maps, https://www.openthebooks.com/
2. Fig. 3 Image Source: CCRP, Caldwell County, Texas, January 10, 2019, https://www.ccrptx.org/

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QUESTION 1

The different conditions in California and Texas reflect the contrasting political, economic and legal ideologies championed by the government of these states.

a) *Conservatism* and *liberalism* are the apparent democratic ideologies exemplified by these two states. Explain the principles of these two ideologies and how they have influenced the American political landscape. (10 marks)

b) Clarify the economic principles of *individualism* and *collectivism* and how they relate to the political ideologies [as discussed in sub-section 1(a) earlier]. (10 marks)

c) Based on your general knowledge on the events surrounding the American political landscape, discuss **TWO (2)** potential legal policies *(governmental decisions affecting the law)* that may have led to the increasing homelessness, crime and destruction of property in California. (10 marks)

(Total: 30 marks)

QUESTION 2

The American political landscape is heavily partisan, with opposing political ideologies championing distinct cultural values. Using evidence from the case and substantiated with your general knowledge on the matter, critically discuss the cultural differences between conservative states (e.g., Texas) and liberal states (e.g., California) based on the following:-

a) Philosophy over political control (5 marks)

b) Philosophy over economic freedom (5 marks)

c) Desired values to be inoculated through education (5 marks)

d) Perception of social structure (5 marks)

e) Innovations in language to fit modern ideals (5 marks)

f) Value of religion in daily life (5 marks)

(Total: 30 marks)

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QUESTION 3

Although Texas and Florida were admitted into the United States earlier than California, the market in these states are less-developed and many businesses which entered in the last decade may still be considered early entrants relative to California, where most large corporations (e.g., Google, Meta, Twitter) are concentrated.

a) What are the advantages and disadvantages of entering a *less-developed market* (Texas/Florida) as opposed to a more *developed market* (California)? (10 marks)

b) What are the advantages and disadvantages of being an *early entrant* into the market (Texas/Florida) as opposed to a *late entrant* (California)? (10 marks)

(Total: 20 marks)

SECTION B: THEORETICAL QUESTIONS

QUESTION 4

Assume both China and the United States have 600 units of resources, and the resources are equally distributed for the production of soybeans and corn in both countries. China uses 24 units of resources to produce 1 mil. tonnes of soybeans and 30 units to produce 1 mil. tonnes of corn while the US uses 60 units to produce 1 mil. tonnes of soybeans and 40 units to produce 1 mil. tonnes of corn. Later, in order to capitalise on comparative benefits, both countries decided to specialise. China increased its allocation of resources for soybeans to 480 units at the expense of corn, while the United States specialises completely in corn. Both countries then traded on a basis of 6 units of soybeans for 6 units of corn.
(Note: Sub-sections (a), (b), and (c) should be presented together in a table)

a) Before specialisation, what is the combined production of both countries for soybeans and corn? (6 marks)

b) After specialisation based on comparative advantages, what is the combined production of both countries for soybeans and corn? (6 marks)

c) After trade, what are the extra amounts of soybeans and corn enjoyed by both countries? (8 marks)

(Total: 20 marks)

End of Paper